

The complaint

Mr and Mrs J says HSBC UK Bank Plc unfairly closed their joint bank accounts and hasn't provided a satisfactory explanation why it did so.

What happened

Mr and Mrs J had several joint accounts with HSBC.

In May 2018, HSBC decided to close all of Mr and Mrs J's accounts. And it gave them two months' notice to make alternative banking arrangements.

Mr J complained to HSBC and said they'd been customers of the bank for many years. He said HSBC's behaviour was unfair and very upsetting for both him and his wife especially after being customers for so long. HSBC said it had acted in accordance with the terms and conditions when it closed the accounts. Mr J wasn't happy with this response, so he brought her complaint to this service.

An investigator looked at Mr and Mrs J's complaint. She said HSBC hadn't done anything wrong when it closed their accounts. Mr and Mrs J disagreed. As no agreement could be reached the matter has come to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand Mr and Mrs J are upset that HSBC has closed all their accounts. And that this has caused them a good deal of inconvenience. They've also pointed out that they have been loyal customers of the bank for many years and has always operated their accounts properly. And I've no reason to doubt what they say.

Whilst I appreciate the impact this had for Mr and Mrs J, a bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way which complies with the terms and conditions of the account.

I've seen a copy of a letter HSBC sent to Mr and Mrs J dated 18 May 2018, which informed them it would be closing their accounts on 16 July 2018 – within 60 days'. So, I'm satisfied that HSBC has complied with the terms and conditions of the account.

Under the terms and conditions HSBC could close the accounts by giving Mr and Mrs J 60 days' notice. And it wasn't required to give them a reason, as much as they'd like to know. So, I can't say HSBC has done anything wrong by not providing this information to them.

I know Mr J suspects that HSBC has closed the accounts because he has made complaints and criticised how HSBC conducts business. But I haven't seen any evidence that this was the case. I'm also aware that our investigator has provided the reason for the closure was due to Mr J's behaviour in a branch. So, I'm satisfied Mr J ought reasonably to understand why HSBC closed the accounts. In any event, I find that HSBC has closed the accounts in line with the terms and conditions.

I appreciate that the closure of the accounts has caused Mr and Mrs J inconvenience and upset. But the bank can make commercial decisions about who it offers banking services to. They cannot unfairly discriminate against a customer. But they can say they no longer wish to do business with individuals. That's because they've got the commercial freedom to decide who they want to contract with. And having looked at the circumstances of this case, I'm satisfied that HSBC has exercised its commercial decision legitimately. So, I cannot say it has treated Mr and Mrs J unfairly when it closed their accounts.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 31 December 2019.

Sharon Kerrison
Ombudsman